Autonomous Market Regulator for pricing of gas

1206. SHRI NANDI YELLAIAH: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Andhra Pradesh Government has requested the Central Government for setting up an autonomous Market Regulator for pricing of natural gas as the mechanism used by Reliance Industries Ltd. to 'discover the market price' for natural gas from Krishna Godavari basin is non-transparent and maximizes the price of gas to the disadvantage of consumers;

(b) if so, the details in this regard;

(c) the reason for delay in approving this request, especially when the Planning Commission has already supported this demand of the State Government; and

(d) by when it is likely to be given clearance?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) to (d) The Chief Minister of Andhra Pradesh has written to the Prime Minister and to Minister of petroleum & natural Gas requesting that an independent market regulator be appointed for upstream gas pricing.

The Government had constituted an Empowered Group of Ministers (EGoM) to decide issues related to pricing of gas under New Exploration Licensing Policy (NELP). The EGoM has decided the pricing of natural gas to be produced from K.G. Offshore after considering all relevant material. EGoM has decided that the sanctity of the Production Sharing Contracts entered into by the Government with the Contractors should be maintained.

Availability of LPG cylinders

1207. SHRI K. CHANDRAN PILLAI: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Government is aware that there is acute shortage of LPG cylinders;

(b) if so, the details of the requirement of LPG cylinders in the country, State-wise;

(c) the details of availability of LPG cylinders at present, State-wise; and

(d) the details of steps taken to overcome the crisis?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) to (d) Public Sector Oil Marketing Companies (OMCs) have reported that at present, there is no overall shortage of LPG cylinders in the country.

OMCs have also reported that at present, there is no overall shortage of LPG in the country and LPG supplies to distributors are being made by the OMCs through indigenous production and imports in accordance with the genuine demand of customers registered with the LPG distributors. OMCs have further reported that they have supplied 8450 TMT (Thousand Metric Tonnes) of domestic LPG in the country during the period-April, 2007-January, 2008 as against 8030 TMT during the corresponding period of last year, showing a growth of 5.2%.

However, OMCs had reported backlog in LPG supplies in certain States in the country due to reduction in supply of bulk LPG by Reliance Industries Limited (RIL) & Essar Oil Limited in January 2008, delay in movement of bulk LPG by rail from Jamnagar to the Northern Region, increased demand in the States due to severe cold which resulted in panic booking by the customers, strikes by contract labour, agitational activities, delays in berthing of vessels at Haldia Port due to reduced draft, bandhs etc.

Government has advised OMCs to liquidate the backlog in the States by operating the bottling plants on holidays and during extended hours. Increased bottling is also being done during the working days for early clearance of backlog.

The State-wise details are available with the Directors (Marketing) of the concerned OMCs.

Raid on LPG distributors in Delhi

1208. SHRI AMAR SINGH: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that Government of N.C.T. of Delhi has recently raided the premises of a large number of Gas Agencies in the Capital who had been indulging in selling the cylinder in black market;

(b) if so, what are the names of such Agencies which have been found involved in the black market;

(c) whether Government of N.C.T. of Delhi had recommended cancellation of the licences of those agencies; and

(d) if so, the action taken thereon?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) and (b) Yes, Sir. Government of N.C.T. of Delhi has reported that four LPG Distributorship of N.C.T. of Delhi, namely M/s Usha Gas Service, M/s Banaras Gas Agency, M/s Rakant Enterprises and M/s Shyamji Enterprises were allegedly found involved in black marketing.

(c) and (d) Government of N.C.T. of Delhi has also reported that they have taken up the matter with the concerned authority for taking necessary action.

Consequences of rise in price of petrol and diesel

1209. SHRI KAMAL AKHTAR: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Government has made any assessment that the hike in prices of petrol and diesel will push up the prices of essential commodities, affecting all sections of the society, particularly the middle class and farmers;

(b) if so, the reasons for making such steep hike in prices of petrol and diesel;

(c) whether this rise would not have been necessary if Government had restricted the advalorem tax structure on import of petro projects;